

UN-AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 30TH JUNE 2014**I. STATEMENT OF FINANCIAL POSITION**

	BANK			GROUP			
	30th June 2013 Shs '000 (Un-Audited)	31st Dec 2013 Shs '000 Audited	31st March 2014 Shs '000 (Un-Audited)	30th June 2014 Shs '000 (Un-Audited)	30th June 2013 Shs '000 Audited	31st March 2014 Shs '000 (Un-Audited)	30th June 2014 Shs '000 (Un-Audited)
A. ASSETS							
1 Cash (both local and foreign)	184,668	249,695	231,143	227,237	1,481,270	1,052,323	1,023,790
2 Balances with Central Bank of Kenya	976,368	797,929	1,644,697	872,797	976,368	797,929	1,644,697
3 Kenya Government and other securities held for dealing purposes	-	-	-	-	-	-	-
4 Financial Assets at fair value through profit and loss	-	-	-	-	-	-	-
5 Investment Securities:							
a) Held to Maturity:							
i) Kenya Government securities	4,290,453	3,714,812	3,449,893	4,454,336	4,359,981	3,714,812	3,449,893
ii) Other securities	42,900	43,963	42,900	45,179	2,726,004	1,977,577	2,386,110
b) Available for sale:							
i) Kenya Government securities	1,467,500	2,172,061	5,892,500	5,753,885	1,467,500	2,172,061	5,892,500
ii) Other securities	239,289	215,036	242,449	229,611	239,289	215,036	242,449
6 Deposits and balances due from local banking institutions	209,400	5,373,630	201,212	2,379,112	209,400	5,373,630	201,212
7 Deposits and balances due from banking institutions abroad	210,933	311,009	158,370	934,478	1,371,067	2,079,922	2,241,433
8 Tax recoverable	-	-	-	-	-	27,144	26,953
9 Loans and advances to customers (net)	9,237,930	10,303,477	9,387,700	9,618,733	16,179,726	18,013,533	16,845,422
10 Balances due from banking institutions in the group	105,307	143,356	182,708	179,055	-	-	-
11 Investments in associates	-	-	-	-	-	-	-
12 Investments in subsidiary companies	1,812,247	1,898,747	1,898,747	1,898,747	-	-	-
13 Investments in Joint Ventures	-	-	-	-	-	-	-
14 Investment properties	-	-	-	-	-	-	-
15 Property plant and equipment	184,558	178,680	218,385	244,257	673,701	706,307	751,951
16 Prepaid lease rentals	-	-	-	-	-	-	-
17 Intangible assets	11,439	10,322	9,261	8,226	23,687	43,024	41,294
18 Deferred tax asset	1,617	21,355	15,383	26,056	206,367	170,845	149,658
19 Retirement benefit asset	-	-	-	-	-	-	-
20 Other assets	246,641	203,977	401,697	886,250	561,907	338,338	559,067
21 TOTAL ASSETS	19,221,252	25,638,050	23,977,044	27,757,959	30,476,268	36,682,482	35,456,429
B. LIABILITIES							
22 Balances due to Central Bank of Kenya	-	-	-	-	-	-	-
23 Customer deposits	15,073,976	18,446,805	17,066,185	16,580,122	25,406,210	28,852,105	27,833,445
24 Deposits and balances due to local banking institutions	317,099	18,300	20,500	477,295	317,099	52,497	20,500
25 Deposits and balances due to foreign banking institutions	17,830	521,932	66,243	3,760,241	78,069	452,635	115,641
26 Other money market deposits	-	-	-	-	-	-	-
27 Borrowed funds	195,716	195,976	200,539	195,255	250,046	264,759	270,208
28 Balances due to banking institutions in the group	99,150	12,075	44,742	162,346	-	-	-
29 Tax payable	32,525	27,338	76,377	55,949	60,736	27,338	76,377
30 Dividends Payable	-	-	-	-	-	-	-
31 Deferred tax liability	-	-	-	-	57,356	67,203	52,940
32 Retirement benefit liability	-	-	-	-	-	-	-
33 Other liabilities	142,363	324,972	283,451	199,388	508,672	506,002	494,420
34 TOTAL LIABILITIES	15,878,659	19,547,398	17,758,036	21,431,266	26,678,188	30,222,538	28,863,530
C. SHAREHOLDERS' EQUITY							
35 Paid up/Assigned capital	923,661	1,212,171	1,212,171	1,212,171	923,661	1,212,171	1,212,171
36 Share premium/(discount)	1,109,571	3,406,226	3,406,226	3,406,226	1,109,571	3,406,226	3,406,226
37 Revaluation reserves	6,312	(5,479)	8,455	(23,496)	19,633	74,465	88,399
38 Retained earnings/Accumulated Losses	1,255,484	1,422,175	1,544,357	1,686,323	1,581,272	1,544,398	1,707,178
39 Statutory Loan Loss Reserve	47,565	55,559	47,800	45,470	41,333	112,580	95,202
40 Other Reserves	-	-	-	-	29,324	18,150	(9,756)
41 Proposed dividends	-	-	-	-	-	-	-
42 Non controlling Interest	-	-	-	-	93,288	91,995	93,478
43 Capital grants	-	-	-	-	-	-	-
44 TOTAL SHAREHOLDERS' EQUITY	3,342,593	6,090,652	6,219,009	6,326,694	3,798,081	6,459,944	6,592,899
45 TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	19,221,252	25,638,050	23,977,044	27,757,959	30,476,268	36,682,482	35,456,429

II. STATEMENT OF COMPREHENSIVE INCOME

1.0 INTEREST INCOME							
1.1 Loans and advances	728,712	1,483,502	366,078	725,418	1,297,483	2,695,339	704,005
1.2 Government securities	249,777	517,013	208,297	429,214	351,042	737,139	255,219
1.3 Deposits and placements with banking institutions	22,128	46,818	22,602	45,671	61,774	99,197	28,935
1.4 Other Interest Income	18,898	36,595	8,400	16,394	18,898	36,595	8,400
1.5 Total Interest Income	1,019,516	2,083,928	605,375	1,216,696	1,729,197	3,568,270	996,559
2.0 INTEREST EXPENSES							
2.1 Customer deposits	467,394	939,761	264,607	530,548	806,161	1,645,124	441,500
2.2 Deposits and placements from banking institutions	8,158	19,018	1,839	13,351	14,836	35,641	2,523
2.3 Other Interest Expenses	9,177	18,715	4,563	9,177	11,991	24,319	5,933
2.4 Total Interest Expenses	484,729	977,494	271,010	553,076	832,988	1,705,084	449,956
3.0 NET INTEREST INCOME/(LOSS)	534,787	1,106,434	334,366	663,620	896,209	1,863,186	546,603
4.0 OTHER OPERATING INCOME							
4.1 Fees and commissions on loans and advances	40,709	87,185	17,488	39,458	88,078	176,908	35,163
4.2 Other Fees and Commissions	74,840	148,585	42,121	72,526	195,318	404,001	105,455
4.3 Foreign exchange trading income (loss)	28,167	74,619	17,290	32,913	137,615	281,790	50,804
4.4 Dividend Income	-	-	-	-	-	-	-
4.5 Other income	67,074	90,585	30,186	89,697	102,353	207,418	78,849
4.6 Goodwill on Acquisition of subsidiary	-	-	-	-	229,988	-	-
4.7 Total Non-Interest Income	210,789	400,974	107,085	234,594	753,352	1,070,117	270,271
5.0 TOTAL OPERATING INCOME	745,577	1,507,408	441,451	898,214	1,649,562	2,933,303	816,874
6.0 OPERATING EXPENSES							
6.1 Loan Loss Provision	8,415	32,891	6,223	11,136	105,141	313,578	21,937
6.2 Staff costs	260,835	546,550	134,586	261,370	529,712	1,137,883	284,135
6.3 Directors' emoluments	38,479	30,675	24,922	37,134	69,269	75,493	33,920
6.4 Rentals Charges	44,672	108,771	29,336	63,759	78,672	179,671	46,621
6.5 Depreciation charge on property and equipment	14,819	30,103	6,011	15,222	58,201	119,058	24,147
6.6 Amortisation Charges	2,277	4,910	1,088	2,123	4,875	10,805	2,608
6.7 Other operating expenses	152,363	340,390	75,823	144,527	347,095	781,526	191,488
6.8 Total Operating Expenses	521,860	1,094,290	277,989	535,271	1,192,965	2,618,013	604,857
6.9 Profit/(Loss) before tax and exceptional items	223,716	413,118	163,462	362,943	456,596	315,290	212,017
8.0 Exceptional items	-	-	-	-	-	-	-
9.0 Profit/(Loss) after exceptional items	223,716	413,118	163,462	362,943	456,596	315,290	212,017
10.0 Current tax	67,115	96,517	49,039	108,883	96,094	126,420	64,504
11.0 Deferred tax	-	(14,685)	-	-	(7,056)	(64,296)	1,433
12.0 Profit/(Loss) after tax and exceptional items	156,601	331,286	114,423	254,060	367,559	253,166	147,512
13.0 Other Comprehensive Income							
13.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	-	-	27,961	19,476	(27,906)
13.2 Fair value changes in available-for-sale financial assets	17,605	5,814	13,934	(18,017)	17,605	5,814	13,934
13.3 Revaluation surplus on Property, plant and equipment	-	-	-	-	-	71,669	-
13.4 Share of other comprehensive income of associates	-	-	-	-	-	-	-
13.5 Income tax relating to components of other comprehensive income	-	-	-	-	-	-	-
14.0 Other comprehensive income for the year net of tax	17,605	5,814	13,934	(18,017)	45,566	96,959	(13,972)
15.0 Total comprehensive income for the year	174,207	337,100	128,357	236,042	413,125	350,125	133,541

Attributable to:
Non Controlling Interest
Equity Holders of the Parent

4,445 2,926 1,523 (5,327)
363,114 347,199 132,018 133,849

III. OTHER DISCLOSURES

	30th June 2013 Shs '000 (Un-Audited)	31st Dec 2013 Shs '000 Audited	31st March 2014 Shs '000 (Un-Audited)	30th June 2014 Shs '000 (Un-Audited)	30th June 2013 Shs '000 Audited	31st Dec 2013 Shs '000 Audited	31st March 2014 Shs '000 (Un-Audited)	30th June 2014 Shs '000 (Un-Audited)
1) NON-PERFORMING LOANS AND ADVANCES								
a) Gross non-performing loans and advances	441,596	458,639	575,580	541,104	1,072,276	1,326,124	1,425,676	1,463,064
Less:								
b) Interest in Suspense	188,313	199,282	215,268	189,387	277,254	256,349	270,467	311,106
c) Total Non-Performing Loans and Advances (a-b)	253,283	259,357	360,312	351,717	795,022	1,069,775	1,155,209	1,151,957
Less:								
d) Loan Loss Provisions	214,138	210,125	209,882	190,622	339,722	396,690	352,219	359,862
e) Net Non-Performing Loans (c-d)	39,146	49,232	150,431	161,094	455,300	673,085	802,990	792,095
f) Discounted Value of Securities	39,146	49,232	150,431	161,094	455,300	673,085	802,990	792,095
g) Net NPLs Exposure (e-f)	-	-	-	-	-	-	-	-
2) Insider Loans and Advances								
a) Directors, shareholders and associates	59,191	147,276	177,949	97,256	73,339	171,542	204,617	121,406
b) Employees	61,829	62,926	53,425	52,753	225,843	222,391	226,717	217,751
c) Total Insider Loans and Advances and Other Facilities	121,020	210,202	231,374	150,009	299,182	393,933	431,333	339,157
3) Off-Balance Sheet Items								